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CC Docket 96-159

August 19, 1996

JAN 29 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Received
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Common Carrier Bureau
Network Service Division
Office of the Chief

William F. Caton
Acting Secretary
Federal Communication Commission
1919 M Street, N.W.
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Dear Secretary:

I am aware of the petitions sent to you by Bell South, and am aware of the reason they may have had in sending them to you. In that the Federal Courts have rights and interest in the lawsuit of AT&T, and the settlement which oversaw agreement of AT&T to divest itself of local calling monopolies, which in the case of North Carolina did not apply. Their operation was under an exclusive emolument granted for service to the public.

Monopolies are forbidden by North Carolina Constitution, Article I, Section 34. The transfer to Bell South might be questioned in light of Article I, Section 33, but it seems to have been honored by the North Carolina Utility Commission.

The N.C. Utility Commission seems to have allowed Federal encroachment on the States exclusive rights to control all calls that start and end within the State, but where no State authority is affected, no challenge should be needed. Federal authorities are governed and limited to calling between states.

I am sure that local calling may be of interest to the Federal Regulators to aid them in *interstate* calling etc. But *interest* should be all that your signing of Bell South's petition implies - not jurisdiction.

As with the Federal Court, we accept your interest and approvals. I know that you may feel that Congress, through its various bills and statutes have given you this authority over local calling, however, Congress can only grant that which they have authority for. These are **exclusive** State matters.

Sincerely,

William H. Roberson

William H. Roberson
Rt. 1 Box 49
Louisburg, NC 27549
919-496-5744

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COMMUNICATIONS DIVISION



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
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WASHINGTON, D.C. 20554

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DA 96-1190

CC Docket No. 96-159

Released: July 26, 1996

COMMISSION SEEKS COMMENT ON PETITIONS FOR WAIVER OF LATA BOUNDARIES TO PROVIDE EXPANDED LOCAL CALLING SERVICE IN TEXAS AND NORTH CAROLINA

The Commission has received petitions from Southwestern Bell Telephone Company ("SWBT") and BellSouth Telecommunications, Inc. ("BellSouth") requesting that it waive LATA boundaries in certain areas of Texas and North Carolina, respectively. On June 25, 1996, SWBT filed a petition for waiver of certain local access and transport area ("LATA") boundaries in Texas, pursuant to Section 3(25) of the Communications Act of 1934, as amended, 47 U.S.C. § 153, to provide two-way, non-optional expanded local calling service ("ELCS") to certain Texas telephone exchanges. Specifically, SWBT seeks to provide ELCS service between the following exchanges: (1) the Pawnee exchange in the Corpus Christi LATA and the Kennedy and Karnes/Fall City exchanges in the San Antonio LATA; and (2) the Albany exchange in the Abilene LATA and the Breckenridge exchange in the Dallas LATA.

On June 28, 1996, SWBT filed a petition for waiver of LATA boundaries between the Hearne, Texas LATA and the Austin, Texas, LATA. SWBT states that a waiver is necessary in order to offer integrated digital service network throughout Texas, by July 1, 1996, as required by the Texas Public Utilities Commission.

On July 2, 1996, BellSouth filed a petition requesting approval by the Commission to provide two-way non-optional extended area service between the following areas: (1) the Raleigh Exchange in the Raleigh LATA, and the Franklinton and Louisburg Exchanges in the Rocky Mountain LATA; (2) the Zebulon Exchange in the Raleigh LATA and the Louisburg Exchange in the Rocky Mountain LATA; (3) the Chapel Hill exchange in the Raleigh LATA and the Saxapahaw Exchange in the Greensboro LATA; (4) the Wilmington exchange, and a portion of the Scotts Hill exchange, in the Wilmington LATA and the Holly Ridge exchange in the Rocky Mountain LATA; and finally, (5) the Apex, Cary and Raleigh exchanges in the Raleigh LATA and the Pittsboro exchange in the Fayetteville LATA.

Interested parties may file comments concerning this matter on or before August 26, 1996. Reply comments shall be filed on or before September 10, 1996. All filings should address each petition separately and refer to them as follows: (i) Southwestern Bell Telephone Company Petition, NSD-L-96-4; (ii) Southwestern Bell Telephone Company Petition (Hearne/Austin LATAs), NSD-L-96-6; and (iii) BellSouth Telecommunications, Inc. Petition, NSD-L-96-7. All comments should be sent to William F. Caton, Acting Secretary, Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554. Copies of documents filed with the Commission may be obtained from the International Transcription Service (ITS), 2100 M Street, N.W., Suite 140, Washington, D.C. 20037, (202) 857-3800. Documents are also available for review and copying at the FCC Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C., from 9:00 a.m. to 4:30 p.m.

For further information, contact Cheryl Taylor (202) 418-2499 or Pam Gerr at (202) 418-2357, both of the Common Carrier Bureau, Network Services Division.

FEDERAL COMMUNICATIONS COMMISSION

leaving it to the people's representatives to apply these principles through legislation to conditions as they arise.

CONSTITUTION OF NORTH CAROLINA

PREAMBLE

We, the people of the State of North Carolina, grateful to Almighty God, the Sovereign Ruler of Nations, for the preservation of the American Union and the existence of our civil, political and religious liberties, and acknowledging our dependence upon Him for the continuance of those blessings to us and our posterity, do, for the more certain security thereof and for the better government of this State, ordain and establish this Constitution.

ARTICLE 1

DECLARATION OF RIGHTS

That the great, general, and essential principles of liberty and free government may be recognized and established, and that the relations of this State to the Union and government of the United States and those of the people of this State to the rest of the American people may be defined and affirmed, we do declare that:

Section 1. *The equality and rights of persons.* We hold it to be self-evident that all persons are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, the enjoyment of the fruits of their own labor, and the pursuit of happiness.

Sec. 2. *Sovereignty of the people.* All political power is vested in and derived from the people; all government of right originates from the people, is founded upon their will only, and is instituted solely for the good of the whole.

Sec. 3. *Internal government of the State.* The people of this State have the inherent, sole, and exclusive right of regulating the internal government and police thereof, and of altering or abolishing their Constitution and form of government whenever it may be necessary to their safety and happiness; but every such right shall be exercised in pursuance of law and consistently with the Constitution of the United States.

Sec. 4. *Secession prohibited.* This State shall ever remain a member of the American Union; the people thereof are part of the American nation; there is no right on the part of this State to secede; and all attempts, from whatever source or upon whatever pretext, to dissolve this Union or to sever this Nation, shall be resisted with the whole power of the State.

Sec. 5. *Allegiance to the United States.* Every citizen of this State owes paramount allegiance to the Constitution and government of the United States, and no law or ordinance of the State in contravention or subversion thereof can have any binding force.

Sec. 6. *Separation of powers.* The legislative, executive, and supreme judicial powers of the State government shall be forever separate and distinct from each other.

Sec. 7. *Suspending laws.* All power of suspending laws or the execution of laws by any authority, without the consent of the representatives of the people, is injurious to their rights and shall not be exercised.

Sec. 8. *Representation and taxation.* The people of this State shall not be taxed or made subject to the payment of any impost or duty without the consent of themselves or their representatives in the General Assembly, freely given.

Sec. 9. *Frequent elections.* For redress or grievances and for amending and strengthening the laws, elections shall be often held.

Sec. 10. *Free elections.* All elections shall be free.

Sec. 11. *Property qualifications.* As political rights and privileges are not dependent upon or modified by property, no property qualification shall affect the right to vote or hold office.

Sec. 12. *Right of assembly and petition.* The people have a right to assemble together to consult for their common good, to instruct their representatives, and to apply to the General Assembly for redress of grievances; but secret political societies are dangerous to the liberties of a free people and shall not be tolerated.

Sec. 13. *Religious liberty.* All persons have a natural and inalienable right to worship Almighty God according to the dictates of their own consciences, and no human authority shall, in any case whatever, control or interfere with the rights of conscience.

Sec. 14. *Freedom of speech and press.* Freedom of speech and of the press are two of the great bulwarks of liberty and therefore shall never be restrained, but every person shall be held responsible for their abuse.

Sec. 15. *Education.* The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right.

Sec. 16. *Ex post facto laws.* Retrospective laws, punishing acts committed before the existence of such laws and by them only declared criminal, are oppressive, unjust, and incompatible with liberty, and therefore no ex post facto law shall be enacted. No law taxing retrospectively sales, purchases, or other acts previously done shall be enacted.

Sec. 17. *Slavery and involuntary servitude.* Slavery is forever prohibited. Involuntary servitude, except as a punishment for crime whereof the parties have been adjudged guilty, is forever prohibited.

Sec. 18. *Courts shall be open.* All courts shall be open; every person for an injury done him in his lands, goods, person, or reputation shall have remedy by due course of law; and right and justice shall be administered without favor, denial, or delay.

Sec. 19. *Law of the land; equal protection of the laws.* No person shall be taken, imprisoned, or disseized of his freehold, liberties, or privileges, or outlawed, or exiled, or in any manner deprived of his life, liberty, or property, but by the law of the land. No person shall be denied the equal protection of the laws; nor shall any person be subjected to discrimination by the State because of race, color, religion, or national origin.

Sec. 20. *General warrants.* General warrants, whereby an officer or other person may be commanded to search suspected places without evidence of the act committed, or to seize any person or persons not named, whose offense is not particularly described and supported by evidence, are dangerous to liberty and shall not be granted.

Sec. 21. *Inquiry into restraints on liberty.* Every person restrained of his liberty is entitled to a remedy to inquire into the lawfulness thereof, and to remove the restraint if unlawful, and that remedy shall not be denied or delayed. The privilege of the writ of habeas corpus shall not be suspended.

Sec. 22. *Modes of prosecution.* Except in misdemeanor cases initiated in the District Court Division, no person shall be put to answer any criminal charge but by indictment, presentment, or impeachment. But any person, when represented by counsel, may, under such regulations as the General Assembly shall prescribe, waive indictment in non-capital cases.

Sec. 23. *Rights of accused.* In all criminal prosecutions, every person charged with crime has the right to be informed of the accusation and to confront the accusers and witnesses with other testimony, and to have counsel for defense, and not be compelled to give self-incriminating evidence, or to pay costs, jail fees, or necessary witness fees of the defense, unless found guilty.

Sec. 24. *Right of jury trial in criminal cases.* No person shall be convicted of any crime but by the unanimous verdict of a jury in open court. The General Assembly may, however, provide for other means of trial for misdemeanors, with the right of appeal for trial de novo.

Sec. 25. *Right of jury trial in civil cases.* In all controversies at law respecting property, the ancient mode of trial by jury is one of the best securities of the rights of the people, and shall remain sacred and inviolable.

Sec. 26. *Jury service.* No person shall be excluded from jury service on account of sex, race, color, religion, or national origin.

Sec. 27. *Bail, fines, and punishments.* Excessive bail shall not be required, nor excessive fines imposed, nor cruel or unusual punishments inflicted.

Sec. 28. *Imprisonment for debt.* There shall be no imprisonment for debt in this State, except in cases of fraud.

Sec. 29. *Treason against the State.* Treason against the State shall consist only of levying war against it or adhering to its enemies by giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court. No conviction of treason or attainder shall work corruption of blood or forfeiture.

Sec. 30. *Militia and the right to bear arms.* A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed; and, as standing armies in time of peace are dangerous to liberty, they shall not be maintained, and the military shall be kept under strict subordination to, and governed by, the civil power. Nothing herein shall justify the practice of carrying concealed weapons, or

prevent the General Assembly from enacting penal statutes against that practice.

Sec. 31. *Quartering of soldiers.* No soldier shall in time of peace be quartered in any house without the consent of the owner, nor in time of war but in a manner prescribed by law.

Sec. 32. *Exclusive emoluments.* No person or set of persons is entitled to exclusive or separate emoluments or privileges from the community but in consideration of public services.

Sec. 33. *Hereditary emoluments and honors.* No hereditary emoluments, privileges, or honors shall be granted or conferred in this State.

Sec. 34. *Perpetuities and monopolies.* Perpetuities and monopolies are contrary to the genius of a free state and shall not be allowed.

Sec. 35. *Recurrence to fundamental principals.* A frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty.

Sec. 36. *Other rights of the people.* The enumeration of rights in this Article shall not be construed to impair or deny others retained by the people.

ARTICLE II LEGISLATIVE

Section 1. *Legislative power.* The legislative power of the State shall be vested in the General Assembly, which shall consist of a Senate and a House of Representatives.

Sec. 2. *Number of Senators.* The Senate shall be composed of 50 Senators, biennially chosen by ballot.

Sec. 3. *Senate districts: apportionment of Senators.* The Senators shall be elected from districts. The General Assembly, at the first regular session convening after the return of every decennial census of population taken by order of Congress, shall revise the senate districts and the apportionment of Senators among those districts, subject to the following requirements:

(1) Each Senator shall represent, as nearly as may be, an equal number of inhabitants, the number of inhabitants that each Senator represents being determined for this purpose by dividing the population of the district that he represents by the number of Senators apportioned to that district;

(2) Each senate district shall at all times consist of contiguous territory;

(3) No county shall be divided in the formation of a senate district;

(4) When established, the senate districts and the apportionment of Senators shall remain unaltered until the return of another decennial census of population taken by order of Congress.

Sec. 4. *Number of Representatives.* The House of Representatives shall be

decision, he must return his marked ballot.

(i) *Polling Results.*

EAS polling results shall be reported broken down by residential and business categories. All decisions regarding EAS poll results will be based on the valid ballots returned. A subscriber shall be entitled to as many votes as that subscriber has access lines. Generally, a simple majority of those valid ballots returned voting in favor of the EAS will constitute a positive vote for EAS as to that exchange. An EAS proposal will be approved if each of the polled exchanges is in favor of the EAS

proposal. When two or more exchanges are polled and mixed results occur, the approval or disapproval of the request will be based on the individual poll results as well as other factors that may be reflective of any unique circumstances affecting the request, including valid public policy considerations such as economic development and county-seat calling. In making a final decision, the Commission will exercise its discretion in considering all relevant factors. (NCUC Docket No. P-100, Sub 89, 10/28/87; 12/16/87; 5/5/92; 3/25/93; 6/14/93.)

Rule R9-8. Service objectives for local exchange telephone companies.

Each regulated local exchange telephone company shall perform and provide service in accordance with the following uniform service objectives:

(a) *Service Objectives.* —

DESCRIPTION	OBJECTIVE
Intraoffice completion rate	99% or more
Interoffice completion rate	98% or more
Direct distance dialing completion rate	95% or more
EAS transmission loss	95% or more between 2 and 10db
Intrastate toll transmission loss	95% or more between 3 and 12db
EAS trunk noise	95% or more 30 dbrnc or less
Intrastate toll trunk noise	95% or more 33 dbrnc or less
Operator "0" answertime	90% or more within 10 seconds or an *EAA in seconds
Directory assistance answertime	85% or more within 10 seconds or an *EAA in seconds
Public paystations found out-of-order	10% maximum
Business office answertime	90% or more within 20 seconds or an *EAA in seconds
Repair service answertime	90% or more within 20 seconds or an *EAA in seconds
Initial customer trouble reports	4.75 or less per 100 access lines (excludes subsequent reports)
Repeat reports	1.0 report or less per 100 access lines
Out-of-service troubles cleared within 24 hrs	95% or more
Regular service orders completed within 5 working days	90% or more
New service installation appointments not met for Company reasons	5% or less
New service held orders not completed within 30 days	0.1% or less of total access lines
Regrade application held orders not completed within 30 days	1.0% or less of total access lines

*EAA = Equivalent Average Answertime

revenues will in fact result in serious financial distress to the LEC and, in turn, to its remaining local customers. However, in all cases, the toll revenue losses may be computed and included in the analysis as information to the Commission.

- (2) In EAS cases involving non-matrix telephone companies, the affected company or companies will be required to conduct cost studies based upon incremental costs exclusive of toll losses. Such incremental cost studies shall be deemed to include all additional incremental equipment costs applicable to the EAS arrangement plus those embedded costs supporting investments which have previously been used to provide toll services, but which will, upon approval of EAS, be utilized for EAS rather than toll service. The Commission recognizes that these latter specified facilities will have generally been included in a previously established test year period and that rates were likely set to produce revenues necessary to cover expenses and capital costs associated with these facilities. Therefore, to the extent that there would be a double recovery of expenses associated with these facilities, a deferred account shall be established to eliminate such recovery and the monies placed in the deferred account shall be returned to the general body of ratepayers, with interest, upon further order of the Commission.

(f) *Matrix Rating Plans.*

For telephone companies which have an approved EAS matrix plan in effect, the applicable customer charge(s), which shall be used for polling purposes, will be determined by application of said matrix plan.

(g) *Regrouping Charges.*

A cost study based on incremental costs as defined above will be the basis for any rate increase(s) associated with implementation of EAS for non-matrix companies. At the time of the next general rate case following the implementation of EAS, the affected exchange(s) will be placed in the proper rate group(s) and a determination of whether the EAS dif-

ferential(s) should be eliminated will be made at that time. If applicable, the customer notice used for EAS polling purposes shall state that a regrouping charge of the given amount will apply at the time of the company's next general rate case.

(h) *Polling Procedures.*

- (1) When the Commission determines that the public interest and need for EAS involving two exchanges is dominant in one direction, which is generally the case when the EAS request involves a large exchange and a small exchange, the Commission will determine on a case-by-case basis whether to poll both exchanges. In cases where only one exchange is polled, the Commission will make a determination based on the results of the poll of that one exchange. As a general rule, the EAS will be approved if a simple majority of the ballots returned by subscribers vote in favor of the proposal. In cases where only minimal or *de minimis* rate increases would result to subscribers in the large exchange, the Commission will impose those charges on customers in the larger exchange without a poll if the polling results of customers in the other exchange are favorable.
- (2) In cases where dominant interest does not exist at one exchange, both exchanges will generally be polled using rate increases based upon incremental costs as described in subparagraph (e) of this rule, except where the increase in one of the exchanges is minimal or *de minimis*, in which case no poll will be conducted in that exchange, but the EAS rate increase shall apply at the time the EAS, if approved, is implemented.
- (3) In proposals where EAS is being considered among several exchanges, the Commission will determine, in its discretion, whether or not all or only some of the affected exchanges will be polled and what rate increases shall apply at the time the EAS, if approved, is implemented.
- (4) The customer notice which is used in conjunction with an EAS poll shall specify that if the subscriber wishes to have a voice in the

conducted, and to determine the applicable rate increases for EAS at each exchange. The Commission may decide to conduct an EAS poll of affected subscribers without first holding a public hearing where the particular facts and circumstances of a case do not necessitate a hearing prior to polling.

- (3) While consideration may be given to the geographical nature of an EAS proposal, it is not appropriate to limit EAS arrangements based solely on geographical location. So long as a significant community of interest and support for the EAS can be demonstrated, the Commission will consider each request for EAS on a case-by-case basis. A chief consideration in any request for EAS is the public interest and need for EAS, which is not necessarily constrained by geographical boundaries.
- (d) *Toll Calling Studies.*
 - (1) All proposals for EAS shall be accompanied by toll calling studies concerning the affected exchanges.
 - (a) Toll calling studies shall be for thirty-day periods, unless circumstances are shown to warrant a longer study period and shall be broken down into residential and business categories. Toll calling studies shall include information concerning community of interest factors (CIFs) and percentage of access lines making one or more calls (percentage making calls or PMCs) in the relevant time period.
 - (b) Upon request from the local exchange company, an interexchange carrier shall provide appropriate toll calling information for affected interLATA routes.
 - (c) When a telephone membership corporation (TMC) is involved in an EAS proposal, the TMC shall be requested to provide toll calling studies.
 - (2) Absent special circumstances, an EAS proposal shall generally not be approved for polling unless all the affected exchanges in the proposal meet the relevant CIF and

PMC standards on at least a one-way basis as set out below:

- (a) For intra-county, county-seat EAS proposals, a CIF of 1.0 or greater in the residential category or a CIF of 2.0 or greater in the residential and business categories combined.
- (b) For other intra-county EAS proposals, a CIF of 2.0 or greater in the residential category or a CIF of 2.5 or greater in the residential and business categories combined and a PMC of 25% or greater.
- (c) For inter-county EAS proposals between exchanges with a common boundary, a CIF of 2.5 or greater in the residential and business categories combined and a PMC of 45% or greater.
- (d) For inter-county EAS proposals between exchanges without a common boundary, a CIF of 3.0 or greater in the residential and business categories combined and a PMC of 50% or greater.
- (3) Notwithstanding Rule R9-7(d)(2), the Commission may approve, disapprove, narrow, or limit an EAS proposal for polling if special circumstances require such action.
- (e) *Cost Studies.*
 - (1) It is appropriate to utilize cost studies in order to establish the applicable local rate increases which should apply to requests for EAS if ultimately approved by the Commission. Except under unusual and extenuating circumstances, cost studies generally will not be required for those telephone companies who have had EAS matrix plans approved by the Commission. Past Commission practice in developing applicable rate increases has generally allowed consideration of only the incremental equipment costs necessary to provide the EAS in question. As a general rule, the Commission has not authorized telephone companies to consider lost toll revenues in developing applicable EAS charges. The Commission will continue to follow this general policy in future EAS cases unless it can be clearly demonstrated in a particular case that a failure to consider lost toll

which the local exchange company does not charge interest to a subscriber.

- (2) In order to be eligible for assistance, a residential subscriber must:

- a. Not be a dependent for federal income tax purposes, as defined in 26 USC Sec. 152 (1986), unless the subscriber is more than 60 years of age; and
- b. Be a current recipient of Aid for Families with Dependent Children, Supplement Security Income, or Food Stamps.

(d) **Verification.** — The local exchange company shall accept self-certification by the subscriber of the eligibility criteria set out in (c)(2)a. The appropriate social service agency shall verify the eligibility criteria set out in (c)(2)b. The local exchange company may require a subscriber to fill out an application form containing information pertinent to the requirements of (c)(2)a. and (c)(2)b. in order to assist in the certification process.

(e) **Charges included.** — Charges assessed for commencing telephone service include any state-tariffed charges levied for connecting a subscriber to the network. These charges do not include a security deposit requirement. (NCUC Docket No. P-100, Sub 95, 9/30/87; 4/4/89.)

Rule R9-7. Procedures regarding requests for extended area service.

(a) **Purpose.**

This rule is intended to further the public interest through the establishment of a set of consistent general guidelines, standards, practices, and procedures for the filing, acceptance, and processing of requests for extended area service (EAS) in North Carolina.

(b) **Definitions.**

For purposes of this rule, the following definitions shall apply:

- (1) **Extended Area Service.** — EAS is a switching and trunking arrangement which provides for nonoptional, unlimited, two-way, flat rate calling service between two or more telephone exchanges, provided at either the applicable local exchange rate or the applicable local exchange rate plus an

EAS increment rather than at the toll message rate.

- (2) **Incremental EAS Cost Study.** — An incremental EAS cost study shall be deemed to include all additional incremental equipment costs applicable to the EAS arrangement plus those embedded costs supporting investments which have previously been used to provide toll services, but which will, upon approval of EAS, be utilized for EAS rather than toll service. Lost toll revenues will generally not be considered a proper cost to be included in an incremental EAS cost study.

- (3) **Community of Interest Factor (CIF).** — Number of customer calls (messages) divided by the total number of local customer lines/trunks. For the purpose of Rule R9-7, customer calls shall consist of: 1-plus and operator-assisted MTS toll calls and optional toll calling plan calls generated over Key, PBX trunks, Centrex trunks, ESSX trunks, ISDN, simple business and residence customer lines/trunks.

- (4) **Percentage Making Calls (PMC).** — Number of access lines making calls divided by the total number of local customer lines/trunks.

(c) **Community of Interest, Public Hearings, and Geographical Boundaries.**

- (1) Any entity or group requesting the Commission to open a formal docket to investigate the need for EAS in a particular area shall be required to demonstrate to the initial satisfaction of the Public Staff and subsequently to the Commission that the subscribers in each affected exchange have demonstrated broad-based support for the requested EAS. Such support may be demonstrated by resolutions and letters from civic groups, institutions, local governments, elected officials and petitions signed by the affected subscribers. The Commission retains the flexibility to determine whether the demonstrated support is sufficient to justify further pursuit of the request for EAS.

- (2) The Commission may hold a public hearing, if necessary, to consider issues such as whether the public interest is sufficient to proceed, whether a poll should be

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. P-7, SUB 809

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	NOTICE TO LOUISBURG
Louisburg to Raleigh and Zebulon)	SUBSCRIBERS REGARDING EAS
Extended Area Service)	TO THE RALEIGH AND ZEBULON
)	EXCHANGES

NOTICE IS GIVEN that Carolina Telephone and Telegraph Company has been authorized by the North Carolina Utilities Commission to poll the telephone subscribers in its Louisburg exchange (496) regarding the matter of two-way, non-optional extended area service (EAS) to Southern Bell's Raleigh and Zebulon exchanges (269, 404). The purpose of the poll is to determine how many Louisburg subscribers are in favor of paying higher monthly flat rates in lieu of toll charges for calling to Raleigh and Zebulon. Your existing local calling area will not be affected by this proposal.

BASIC MONTHLY RATE INCREASES FOR
EAS TO RALEIGH AND ZEBULON

<u>RESIDENCE</u>	<u>BUSINESS</u>
\$ 1.57	\$ 3.70

You are requested to consider the question, mark your preference on the enclosed postcard ballot (stamped and preaddressed), and mail the ballot at your earliest convenience. Ballots postmarked after midnight _____, 1994, will not be counted in the vote. In addition, the ballot must be signed by the customer and a telephone number must be provided in order for the ballot to be counted in the vote. Under the Commission's Rules, you are entitled to as many votes as you have access lines. Please list on the ballot the telephone number of each line to which you subscribe at the address on the mailing. IF YOU WISH TO HAVE A VOICE IN THIS DECISION, YOU MUST RETURN YOUR MARKED BALLOT. The Commission's decision on the EAS proposal will be announced after the poll has been completed.

If you need additional information about this matter, you may contact your local telephone office (_____), or the Public Staff (Post Office Box 29520, Raleigh, North Carolina 27626-0520, or 919/733-0882).

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 1994.
NORTH CAROLINA UTILITIES COMMISSION

(SEAL)

Geneva S. Thigpen, Chief Clerk

As indicated before, the establishment of EAS between the Louisburg and Zebulon exchanges would provide local calling to the county seat for 15% of the Zebulon subscribers. Since application of Southern Bell's EAS matrix tariff produces no local rate increases at the Zebulon exchange for establishing EAS to the Louisburg exchange, the 85% of the Zebulon subscribers not in Franklin County would not be directly impacted by the EAS. Likewise, application of Carolina's EAS matrix tariff produces no additional local rate increases at the Louisburg exchange for including EAS to the Zebulon exchange after EAS to the Raleigh exchange is considered.

RECOMMENDATION: (Gerringer) That the Commission issue an order finding that special circumstances apply for the proposed interLATA EAS between the Louisburg and Zebulon exchanges and authorizing Carolina to poll the subscribers in its Franklinton and Louisburg exchanges to determine their desire for the total proposed interLATA EAS using the polling letter (with Louisburg as an example) attached as Exhibit No. P-6 with the poll results to be submitted separately for residential and business subscribers.

P8. TARIFF FILING BY CAROLINA TELEPHONE AND CENTRAL TELEPHONE COMPANY TO CLASSIFY FAMILY CARE HOMES AS RESIDENCE CUSTOMERS

EXPLANATION: These tariff filings are submitted by Carolina Telephone (Carolina) and Central Telephone Company (Central) in response to recent revision of G.S. 168-22, effective October 1, 1994. The revision was made to the statute by Senate Bill 872, ratified by the North Carolina General Assembly on July 1, 1994. The general statute now states that a family care home is deemed residential for the purposes of determining charges imposed for telephone and various other services. These tariff filings by Carolina and Central would allow family care homes to be classified as residences for telephone service and would allow their family care home customers classified as business customers the option of changing from business to residence service without a telephone number change if the request is received on or before April 10, 1995.

RECOMMENDATION: (Jensen) That this tariff filing be allowed to become effective on November 22, 1994.

P9. DOCKET NO. P-100, SUB 131 - RECOMMENDATION THAT AN ORDER BE ISSUED REQUIRING ALL REGULATED TELEPHONE COMPANIES TO FILE TARIFF REVISIONS IN ACCORDANCE WITH REVISIONS TO G.S. 168-22

EXPLANATION: This recommendation is in response to the recent revision of G.S. 168-22, effective October 1, 1994. Tariff filings by Carolina Telephone and Central Telephone Company brought to our attention that the statute, revised by Senate Bill 872, ratified by the North Carolina General Assembly on July 1, 1994, requires tariff revisions by all regulated local exchange companies serving North Carolina. The general statute now states that a family care home is deemed residential for the purposes of determining charges imposed for telephone and various other services. In accordance with the new statute, the tariff filings by Carolina and Central would allow family care homes to be classified as residences for telephone service and would allow their family care home customers classified as business customers the option of changing from business to residence service without a telephone number change if the request is received

Carolina and Southern Bell have provided the following results of toll calling studies made between the affected exchanges:

<u>Exchange</u>	<u>CIF</u>			<u>PMC (%)</u>		
	<u>Res.</u>	<u>Bus.</u>	<u>Combined</u>	<u>Res.</u>	<u>Bus.</u>	<u>Combined</u>
Franklinton to Raleigh	4.9	4.8	4.9	56	32	53
Louisburg to Raleigh	5.6	4.0	5.2	87	41	77
Louisburg to Zebulon	1.8	0.9	1.6	25	12	22
Zebulon to Louisburg	-	-	1.7	-	-	-

The results for calling from the Franklinton and Louisburg exchanges to the Raleigh exchange meet the criteria set out in Commission Rule R9-7(d)(2) for an inter-county EAS proposal between exchanges without a common boundary. Results for calling from the Raleigh exchange to the Franklinton and Louisburg exchanges are not available. The Public Staff requests that the Commission waive this requirement. With Raleigh being much larger than either Franklinton or Louisburg, such calling results would only show the expected low calling interest from Raleigh to either exchange. Furthermore, Rule R9-7(2) requires that the CIF and PMC Calling standards be met in at least one direction which have been satisfied by the results for calling from both Franklinton and Louisburg to Raleigh.

The results for calling between the Louisburg and Zebulon exchanges do not meet the criteria for an inter-county EAS proposal between exchanges with a common boundary. However, the Public Staff believes that the Commission should further pursue EAS on this route based on the following special circumstances pursuant to Rule R9-7(d)(3):

- 1- The accuracy of and reliability in interLATA calling studies continue to be a problem. Southern Bell depends on calling data provided by four major ICXs for developing its calling results. It is able to provide only a combined (residence and business) CIF factor and no PMC factor because the ICXs are not able to extract the data to develop a full set of factors. The calling results provided by Carolina are inherently understated since Carolina extracts calling data from the records of ICXs for whom it does the billing (less than 100% of the ICXs) but uses the total local access lines from its station development report which includes lines presubscribed to ICXs for whom Carolina does not bill.
- 2- In an effort to address local calling needs and to alleviate requests for EAS, both Carolina and Southern Bell have filed defined radius plans (DRPs) to offer seven-digit dialed discounted calling options generally within a 40-mile radius around each of their exchanges. However, due to the LATA boundary restrictions imposed by the federal courts on Southern Bell, neither Southern Bell's nor Carolina's DRP includes calling options between the Louisburg and Zebulon exchanges. Therefore, EAS is the only viable flat rate plan available to offer relief for calling between the two exchanges.

RECOMMENDATION: (Garrison) That this be received for information.

P7. DOCKET NO. P-7, SUB 809 - FRANKLINTON AND LOUISBURG TO RALEIGH INTERLATA EAS AND LOUISBURG TO ZEBULON INTERLATA EAS

EXPLANATION: Over the past several months the Public Staff has received petitions, letters and resolutions in support of two-way, non-optional interLATA EAS between each of Carolina's Franklinton and Louisburg exchanges and Southern Bell's Raleigh exchange and between the Louisburg exchange and Southern Bell's Zebulon exchange. The Raleigh and Zebulon exchanges are in Southern Bell's Raleigh LATA while the Franklinton and Louisburg exchanges are in Carolina's Rocky Mount LATA. Support for the proposed EAS comes from the Franklin County Board of Commissioners, the Towns of Louisburg and Franklinton, letters from schools, churches, and day care centers and letters and petitions signed by approximately 550 subscribers in the Franklinton, Louisburg and Zebulon exchanges.

The Louisburg exchange, which currently has 6,748 local access lines, is the county seat for Franklin County and has EAS to the Wake Forest, Franklinton Spring Hope and Centerville exchanges. It is 30 air line miles (ALM) to the Raleigh exchange and 19 ALM to the Zebulon exchange. The Franklinton exchange, which currently has 2,561 local access lines, has EAS to the Wake Forest and Louisburg exchanges and is 24 ALM to the Raleigh exchange. The Zebulon exchange, which currently has 6,185 local access lines, provides telephone service in four counties - Wake, Franklin, Nash and Johnston - with approximately 15% of the access lines being in Franklin County. Therefore, the proposed EAS, if approved, would provide county-seat EAS to those 15% of the Zebulon subscribers. The Raleigh exchange, which currently has 229,513 local access lines, and the Zebulon exchange have EAS to each other as well as to the other six exchanges in Wake county and to the Research Triangle Park. In addition, the Raleigh exchange has EAS to the Angier and Clayton exchanges and on December 3, 1994, will have EAS to the Benson, Smithfield, Selma and Four Oaks exchanges.

Based on application of Carolina's and Southern Bell's EAS matrix tariffs, the following monthly basic local rate increases would apply for establishing the proposed EAS:

<u>Exchange</u>	<u>Residence</u>	<u>Business</u>
Franklinton	\$ 2.30	\$ 5.56
Louisburg	\$ 1.57	\$ 3.70
Raleigh	\$ 0.01	\$ 0.02
Zebulon	\$ 0.00	\$ 0.00

The rate increases shown for the Raleigh exchange result from application of the large exchange provision in Southern Bell's EAS matrix tariff. The Public Staff believes that these de minimis increases justify eliminating either polling or sending no-protest notices to the Raleigh subscribers.